

## RESOLUTION NO.

**WHEREAS**, escalating property values in the Austin area have drawn attention to the property appraisal process; and

**WHEREAS**, in order to ensure that taxes remain affordable, Austin City Council believes we must first ensure that the property tax system treats all property owners fairly; and

**WHEREAS**, the Texas Constitution requires that property be taxed at its market value and valued in an equal and uniform manner, not at one or the other, and our current appraisal system does not adhere to this constitutional requirement and protection;

**WHEREAS**, Texas state law states that all properties shall be taxed at their market value; and

**WHEREAS**, appraisal districts lack easy access to the information which would enable them to determine accurate market values for commercial properties, as Texas is one of the few states that prevents the sharing of such information with appraisal districts; and

**WHEREAS**, a growing body of data and evidence demonstrates that local commercial property is often valued lower than its real market value; and

**WHEREAS**, the undervaluation of commercial property unfairly shifts the tax burden to residential properties; and

**WHEREAS**, concern about these issues led the Austin City Council to pass Resolutions 20140612-065 and 20150528-004; and

**WHEREAS**, in response to Resolution 20150528-004 the City filed a challenge petition with the Travis Appraisal Review Board in June 2015 and a subsequent lawsuit in Travis County District Court; and

**WHEREAS**, on November 8, 2015, the 126<sup>th</sup> Judicial Court of Travis County dismissed the City's lawsuit; and

**WHEREAS**, Austin City Council reaffirms its belief that the current appraisal system does not assign fair market values to commercial property and that further legal action is necessary to ensure a fair and equitable system of taxation; and

**WHEREAS**, while the Austin City Council believes that a successful challenge of undervalued commercial properties could result in lower taxes for Austin homeowners and renters, the Council is not seeking more tax revenue through this challenge, and has recently lowered the tax bill for the average homestead property owner; and

**WHEREAS**, this challenge is not about how much taxes are paid, rather how the tax burden is fairly apportioned among types of properties; and

**WHEREAS**, the Austin City Council's goal through this action is to enable appraisal districts to perform their jobs better, and with greater accuracy, with data, tools, and the even playing field necessary to complete their constitutionally-mandated tasks; and

**WHEREAS**, the Austin City Council believes it is in the unfortunate position of having to use litigation, a tool of last resort, due to years of legislative inaction and a growing public perception of a lack of fairness in the appraisal system; and

**WHEREAS**, the City of Austin is not alone in seeing the need for action, as there has been support voiced from all corners of the state, including elected officials in counties both blue and red, chief appraisers in counties both big and small, and newspaper editorial boards in other big cities; and

**WHEREAS**, Austin City Council regards the City's legal arguments as sound and the legal process as the clearest means of addressing inequities within the current appraisal system; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

Austin City Council affirms its commitment to a fair and equitable property tax system and its continued support of legal actions related to the level of appraisals of commercial property values.

**ADOPTED:** \_\_\_\_\_, 2015

**ATTEST:** \_\_\_\_\_

Jannette S. Goodall  
City Clerk